MULTIMEDIA UNIVERSITY STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2018/2019

BMR3094 MARKETING IN SERVICE INDUSTRY

(All sections / Groups)

13 OCTOBER 2018
2.30 p.m – 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 4 pages with 5 Questions only.

2. Attempt **TWO QUESTIONS in section A and ALL QUESTION in Section B.** All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

SECTION A

ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION 1

Servicescape is said as having a huge impact formation of customer perceptions and expectations.

a. What is Serviscape?

(5 Marks)

b. Briefly discuss the statement above and relate your answer to high and low contact service setting.

(20 Marks)

(Total: 25 marks)

QUESTION 2

a. List and explain THREE reasons why services tend to be harder for customers to evaluate as compared to goods.

(9 Marks)

b. Briefly explain the "Russell's Model of Affect"

(10 Marks)

c. Using TWO examples explain how the "Russell's Model of Affect" can be used in service setting

(6 Marks)

(Total: 25 marks)

QUESTION 3

Using the "flower of service" concept explain how an acceptable value propositions for a service could be created.

(25 Marks)

Continued...

SECTION B

ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION 1

The management of a hotel is reviewing the result on their customer satisfaction survey. The result is puzzling as they were doing very well on all score except product performance. The summary of the results is as illustrated below:

Item	Score (1= poor/low satisfaction, 7= excellent/very high satisfaction)
Facilities meeting customers' requirements	6
Staff service performance	6
Staff willingness to give prompt service	7
Staff credibility	6
Environment safety	6
Staff competency	7
Staff courtesy	6
Approachability of staff	6
Easy to communicate with staff	6
Staff understand the customer	6
Product meeting expectation	3

a. Using the concepts of customer satisfaction as well as service quality (SERVQUAL), explain why the variation in results is observed.

(8 Marks)

b. Identify the problematic GAPs (which GAPs) and suggest five actions that can be taken to remedy the problem.

(17 Marks)

(Total: 25 marks)

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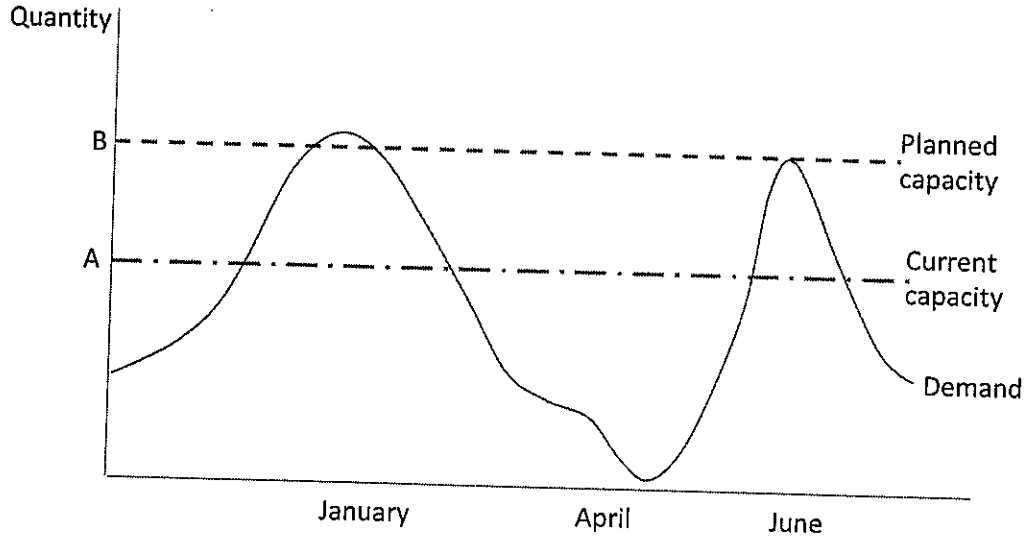
QUESTION 2.

The illustration below shows a service business is operating at current capacity A, and is facing a cyclical demand as illustrated. A long run analysis reveals that typically, the business is facing excess demand situations in January and June. The business is struggling to make sales in April as well as towards the end of the year, despite various initiatives taken.



a. The management of the business is planning make a long run investment that will increase the business capacity to **planned capacity B.** This move will increase operational overheads as well as other associated running costs by 75 percent. Will you recommend the management to commit on this move? State your reasonings.

(5 Marks)

b. If the management decided to maintain the long run capacity at level A, what can the management do overcome the problems of excess demand. Give 5 suggestions.

(10 Marks)

Continued...

c. A young executive noted that the product offered by the company is suitable for price customisation, but it requires an effective rate fence management. What are the two rate fence types available for business? Give two examples for each rate fence type.

(10 Marks)

(Total: 25 marks)

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